



Basic Housing
540 E. 180th Street, Suite 202
Bronx, NY 10457
Phone: (646) 224-9200 • Fax: (646) 224-9223

May 1, 2010

Memorandum of Understanding

This Memorandum of Understanding (MOU) is entered into by and between **BASICS HOUSING INC. (BHI)**, a New York not-for-profit corporation with offices at 1064 Franklin Avenue, Bronx, N.Y. 10456, and 77-79 E. 125th St. LLC (77-79 E) with offices at c/o Irgang Group, Inc. 60 East 42nd Street, Suite 447, New York, N.Y. 10165 effective as of June 1, 2010.

WHEREAS, BHI has entered into a certain agreement (The Agreement) with the New York City Department of Homeless Services (DHS) for the provision of certain transitional housing services to homeless families, as more particularly set forth therein; and

WHEREAS, 77-79 E. 125th St. LLC has control of, and is legally entitled to make available certain portions of the Premises known as 77-79 E. 125th St., as more particularly set forth on Schedule A herein; and

WHEREAS, BHI is desirous of gaining access to and control of certain portions of the Premises, as more particularly set forth herein, in furtherance of the purposes of the Agreement, and

WHEREAS, The Parties are desirous of entering into this Memorandum of Understanding, intending to be bound thereby;

NOW THEREFORE, the Parties agree as follows;

1. 77-79 E. 125th St. LLC shall make available to BHI such apartment(s) at 77-79 E. 125th St as BHI might from time to request for the purposes of placing certain families designated as eligible by DHS for such placement.
2. BHI will pay to 77-79 E. 125th St. LLC's management company, Community Housing Programs of NY, Inc. \$53.00 per day for occupied

unit apartments. Payments shall be due on the 15th day of the following month.

3. BHI will be responsible for and will pay only for those nights in which the particular apartment(s) is occupied.
4. 77-79 E. 125th St. LLC will be responsible for and will pay in a timely fashion all common area electricity expenses; heat expenses for central boiler, if any, heating the Premises including the apartments; and water/sewer expenses.
5. BHI will be responsible for and will pay cooking gas/electric/apartment gas heating expenses and other electric expense within the apartment. BHI is also responsible for exterminating expenses within the apartments and all common areas
6. 77-79 E. 125th St. LLC shall be responsible for maintaining the Premises internally and externally to comply with all relevant municipal, State and federal codes and other legal requirements. This shall include, but not be limited to HVAC, roof, plumbing, exterior, interior hallways and walls. Notwithstanding the foregoing, BHI shall reimburse 77-79 E. 125th St. LLC for the costs of any damages or repairs arising from the negligence, vandalism, or other affirmative acts of any person(s) residing in any apartment, or any invitee of such resident(s).
7. 77-79 E. 125th St. LLC shall keep the Premises, both internally and externally, excepting only the apartments, in a clean and orderly state to conform to relevant municipal codes and the requirements of the Agreement. This shall include, but not be limited to rubbish removal, cleaning of sidewalks and other external areas which are not the responsibility of the municipality. It shall be the responsibility of BHI to cause the apartments to be kept in a clean and orderly fashion.
8. The apartments shall be utilized by BHI solely in accordance with the terms and conditions of the Agreement, and the apartments shall be occupied only by those homeless families denominated by DHS pursuant to the Agreement.
9. The Parties hereto recognize and agree that no landlord/tenant relationship is established between them, or between either of them and any person or family who might occupy any apartment in the Premises pursuant to the terms and conditions of this MOU. It is further specifically the intent of the Parties that nothing in this MOU or its implementation is intended to cause any portion of the Premises to become subject to the Rent Stabilization Law of New York, or the Emergency Tenant Protection Act.
10. All furniture currently present in any and all apartments occupied by a family placed therein pursuant to the DHS program referred to above at the time that this MOU is entered into by the parties shall become the property of BHI.
11. 77-79 E. 125th St. LLC can remove any unit from Lease after seven days of non-use by BHI, by providing BHI with five (5) business days written notice of such intent.
12. 77-79 E. 125th St. LLC represents and warrants that as of the effective date of this MOU the condition of the Premises shall be in compliance

with all applicable federal, State, and municipal laws, rules, and regulations governing the operation of the Premises.

13. Each Party shall at its own cost provide and maintain in full force and effect for the benefit of the other general commercial and liability insurance against claims including but not limited to bodily injury, death, or property damage occurring within the Premises, including the apartments, in amounts not less than \$1,000,000, with an umbrella of \$4,000,000.
14. This MOU may be terminated by either party upon 60 day notice by either party.

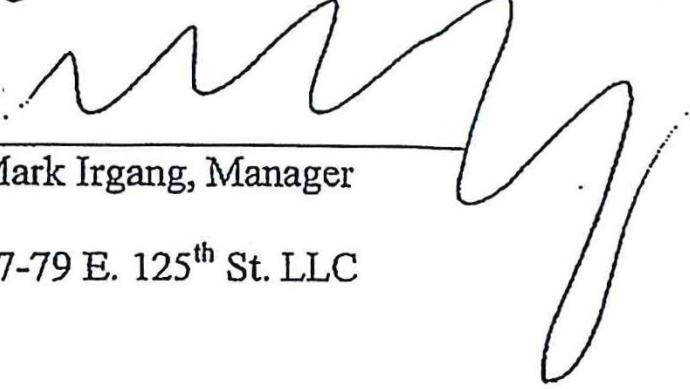
Agreed and Consented to:



Raul Russi, Executive Director

Basics Housing, Inc.

Agreed and Consented to:



Mark Irgang, Manager

77-79 E. 125th St. LLC